ETS-HK-AA-107365

November 21, 1975

CHINA'S VIEW OF RELATIONS WITH THE UNITED STATES

China continues to see the United States as a major piece in the international chess game, but it seems to be more skeptical of the immediate and tactical advantages of the relationship than perhaps it was in the 1971-1973 period. The Chinese at this stage do not seem prepared to see the US connection deteriorate sharply, but they also do not seem prepared to make many sacrifices to keep it on course. Although the Soviet Union continues to receive the lion's share of adverse Chinese propaganda, in the past year the decibel level of anti-US rhetoric has risen somewhat; moreover, Peking obviously has no qualms in accepting such strains as the flaps over the Chinese cultural troupe and the US mayors' delegation have produced.

The Chinese entered into the present relationship with the Soviets very much in mind, and this consideration is still paramount in China's view of the Washington connection. Because of its possible salutary effect on Soviet attitudes the Chinese have very much wanted the President's visit to take place. Their reading of the political atmosphere in the United States in the wake of the Vietnam debacle, however, appears to have suggested to them that the trip might have been deferred. To ensure that it took place on schedule, throughout the spring and summer they were busy passing the word in all quarters that President Ford would be welcome in China, that Peking considered the visit important, and that there were no preconditions attached to it.

ON-FILE NSC RELEASE INSTRUCTIONS APPLY

25X1

TOP SECRET

At the same time domestic audiences were being conditioned to expect little in the way of substantive advances in the bilateral relationship as a result of the trip. Specifically, they were informed that a breakthrough on the Taiwan problem was unlikely.

These themes have also been prominent in Chinese conversations with foreigners. Chinese leaders and diplomats have stressed that China remains patient concerning the Taiwan problem and that it is in no hurry to see the issue resolved. Teng Hsiao-ping in particular has stressed, in conversations with visitors, the proposition that China would prefer a peaceful resolution of the issue; in a recent discussion with New Zealand journalists he claimed that force would be contemplated in the "liberation" of the island only if Washington refused to accept the three conditions China has set forth for US recognition: a break in relations with Taipei, withdrawal of US forces from the island, and abrogation of the Mutual Defense Treaty. In general, however, he and other Chinese officials have been much less specific, leaving the option of use of force open.

In contrast to this rather relaxed view, however, recent internal directives and instructions have painted a gloomier view of the Taiwan situation. One assessment, issued in conjunction with a directive calling for the streamlining and modernization of the Chinese armed forces, claimed that there was a real possibility that Taipei, and Chiang Ching-kuo in particular, would seek to establish a working relationship with Moscow, and that in this eventuality China would be compelled to use force to recover the island. Another instruction also issued in connection with the directive calling for modernization of the armed forces stated that a senior military leader had been entrusted with the task of preparing a plan for conquest of the island within a five-year period.

- 2 **-**

25X1

TOP SECRET

An actual attack on Taiwan would divert considerable military resources from China's defense against a possible Soviet thrust; moreover, such an attack would not only destroy the nascent relationship with Washington but also that with Japan while souring relations with Western Europe and scaring off the nations of Southeast Asia. For these reasons it is unlikely that China is actually contemplating a move against the island, particularly within the time period mentioned in the documents. Nevertheless, these directives and instructions may well represent an accommodation to those who may be arguing that the current relationship with Wash-Teng Hsiao-ping ington has brought recovery of Taiwan no nearer. in fact is reported to have remarked in connection with the instruction to prepare plans for conquest of the island that China "will no longer allow the United States to drag China by the nose" on The five-year deadline mentioned in the the subject of Taiwan. instruction would correspond with the 1980 elections in the United States and could mean that Chinese leaders were considering steppedup pressure on Washington if it appeared at that time that the United States was prepared to postpone resolution of the problem indefinitely.

Signs of frustration regarding current US attitudes do not appear to be confined to this bilateral issue but also seem to spill over into areas of greater ultimate importance to China. Peking seems genuinely concerned about what it considers to be a deterioration of the balance of military power between Washington and Moscow. The Chinese appear to believe that Washington's overall international posture is defensive, while that of Moscow is aggressive; they seem concerned that the United States is entering at least a temporary period of neo-isolationism and probably fear that quarrels between the executive and legislative branches could limit Washing-

TOP SECRET

ton's freedom of action. US congressmen have been repeatedly advised to build up the American military arsenal, particularly in the area of conventional weapons. In this connection the Chinese have generally pointed to the possibility of a conventional war in Europe.

A parallel concern for the Chinese is continuing US efforts to cement detente with the USSR. They almost certainly believe that far greater US time and energy is expended on furthering the Soviet relationship than is expended on the Chinese connection, and that this effort has tended to strengthen Soviet self-confidence while correspondingly weakening the US will to resist putative Soviet encroachments. They also seem to suspect that the Executive Branch's defense of its Soviet policy in the public forum and in Congress tends to create "false illusions" both among the US public and in Western Europe. The current negotiations concerning Soviet purchases of US wheat, for example, are almost certainly viewed in Peking as an example of US "defensiveness" and willingness to relieve Soviet distress. Given the multifaceted nature of the current US-Soviet connection compared to the much more limited connection with Peking, the Chinese probably now suspect that Washington has pursued ties with China largely as a means of securing a "better deal" with Moscow. Politburo member Yao Wenyuan implied as much in a recent conversation with a foreign "Marxist-Leninist."

Peking, to be sure, sees such events as the Sinai II agreement as a positive development, but in the Middle East as in Europe it does not seem convinced that US staying power is very great, and the Chinese have warned the Egyptians and other Arabs to be prepared for a Soviet riposte. In any event, gains in the Middle East are probably offset in Chinese eyes by what they consider to be the deleteri-

- 4 -

ous effects of the Helsinki summit on the situation in Europe. They seem genuinely to subscribe to the somewhat simplistic view that at the conference the US gratuitously accepted the legitimacy of the Soviet position in Eastern Europe.

This point, of course, was made over and again by the Chinese to the Secretary's party during his recent visit. Unabashed references to "Munich" in conversations with newsmen accompanying Dr. Kissinger injected a note that had not been present in Chinese allusions to US policy since the Secretary's initial visit in 1971. This rhetorical overkill doubtless is an index of genuine Chinese concern, but the sharpness of such remarks, coupled with Chiao Kuanhua's pointed references to detente at the opening banquet, suggests that Peking may see some utility in publicizing their differences with Washington so long as movement on fundamental bilateral issues does not seem possible and at the same time the US remains relatively "passive" with respect to the Soviets -- even though Moscow might take some satisfaction from this public display of pique. vituperative references to detente and CSCE were almost certainly authorized well before the Secretary began his visit, but public US acknowledgement just before Dr. Kissinger's arrival that normalization would not be completed this year may have suggested to the Chinese that the Soviets were bound to draw somewhat negative conclusions as to the state of Sino-US relations in any event.

In view of the attention the Chinese devoted to US detente policy during Dr. Kissinger's visit and in view of the favorable attention they had devoted to former Secretary Schlesinger's statements over the past year or two, the time of Dr. Schlesinger's departure from office -- after Dr. Kissinger's visit but before that of the President -- must have been somewhat disturbing to Peking. The evident delay in firming up arrangements for the advance technical mission's visit to China clearly was related to what must have been

TOP SECRET

TOP	SECRET
-----	--------

25X1

an exhaustive examination by the Chinese of the implications of this development. Some elements of this putative review were probably embodied in NCNA's unprecedented round-up of selective — and negative — US and foreign reaction to Dr. Schlesinger's departure issued on November 7, but Chinese leaders almost certainly take a more sophisticated view of the direction of US foreign policy and of the current state of US domestic politics than this relatively low-level broadside would suggest.

Peking, for example, almost certainly drew some encouragement from the public disclosure of the current impasse in the SALT II negotiations and have probably concluded that a final agreement would be difficult if the present stalemate lasts appreciably into an election year; this presumably would mean that a Brezhnev visit to the United States paralleling that of the President to China would not occur. Significantly, instructions Peking has been issuing to its officials stationed abroad continue to portray the President's trip in a positive if not euphoric light. Moreover, at least one official, apparently drawing on material supplied by Peking, has suggested that US leaders privately take a more sober and balanced view of detente than the Chinese seem to think is indicated by public US statements on the subject.

In fact, the departure of Dr. Schlesinger may have caused the Chinese to examine the roots of their policy toward Washington; to the degree that they have done so they appear to have drawn the conclusion that the US connection still serves fundamental Chinese interests — the President's visit, after all, is still going forward. However, Peking's recent return to the theme that China must be prepared for war with the Soviets, which had been in abeyance for two years, suggests that its view of the international scene, and by ex-

tension of the US connection, has darkened in the past six months or so. The Chinese, nevertheless, probably doubt that the factors they seem to believe limit US flexibility in the international sphere are permanent. And in any event they clearly do not, at this juncture, wish to run risks even greater than those they now face by reactivating an unlimited quarrel with Washington or permitting a public breach in the current relationship.

_ 7 _

TOP SECRET